

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2001-512

July 30, 2001

PUBLIC UTILITIES COMMISSION  
Repeal of Chapter 22, Retroactive  
Telephone Inter-Company Settlements

ORDER COMMENCING  
RULEMAKING

WELCH, Chairman; DIAMOND and NUGENT, Commissioners

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**I. SUMMARY**

The Commission is instituting this rulemaking to repeal Chapter 22 of the Commission's Rules (65-407 CMR 22), Retroactive Telephone Inter-Company Settlements.

**II. BACKGROUND**

The Commission adopted Chapter 22 on June 14, 1979, to provide accounting treatment for retroactive telephone company toll settlements. See *M.#199, Re: Retroactive Inter-company Settlements, Order, June 14, 1979*. Retroactive telephone company toll settlements were annual settlements between New England Telephone and Telegraph Company and independent telephone companies used to "true-up" estimates of monthly toll payments. These settlements generally resulted in substantial payments from New England Telephone to independent companies. The fact that these payments were received and accounted for after the close of the accounting period applicable to the time the service was rendered presented a significant ratemaking problem. The Commission addressed the problem by providing specific accounting treatment for these settlements in Chapter 22.

In 1997, when the current intrastate toll access rate system replaced the former intrastate toll settlement revenue system, retroactive telephone company toll settlements became obsolete. Because retroactive toll settlements are no longer in use, there is no need to provide accounting treatment for these settlements and Chapter 22 should be repealed.

**III. PROCEDURES FOR THIS RULEMAKING**

This rulemaking will be conducted according to the procedures set forth in 5 M.R.S.A. § 8051-8064. No public hearing on the repeal of Chapter 22 is scheduled, but one will be held if requested by any five (5) interested persons. To request a public hearing, interested persons must notify the Administrative Director, Public Utilities Commission, 242 State Street, State House Station #18, Augusta, Maine 04333-0018, 1-207-287-3831, on or before August 20, 2001.

Please notify the Public Utilities Commission if special accommodations are needed in order to make the hearing, if one is held, accessible to you by calling 1-207-287-1396 or TTY 1-800-437-1220. Requests for reasonable accommodations must be received 48 hours before the scheduled event.

Written comments on the proposal to repeal this rule may be filed with the Administrative Director no later than September 7, 2001. Please refer to the Docket Number of this proceeding, Docket No. 2001-512, when submitting comments.

In accordance with 5 M.R.S.A. § 8057-A(1), we expect there to be no fiscal impact from repealing Chapter 22. It is not expected to impose an economic burden on small businesses. The full text of Chapter 22 may be viewed on the Maine Public Utilities Commission website, <http://www.state.me.us/mpuc>.

Notice of this rulemaking will be provided to the following:

1. All Local Exchange Carriers in the State of Maine;
2. The Telephone Association of Maine;
3. All people who have filed with the Commission within the past year a written request for any Notice of Rulemaking;
4. The Secretary of State for publication in accordance with 5 M.R.S.A. § 8053(5); and
5. Executive Director of the Legislative Council, State House Station 115, Augusta, Maine 04333 (20 copies)

Accordingly, it is

**O R D E R E D**

1. That the Administrative Director send copies of this rulemaking to all the persons listed above and compile a service list of these persons and any additional persons submitting written comments on the proposed repeals.
2. That the Administrative Director send a copy of the Order Commencing Rulemaking to the Secretary of State for publication in accordance with 5 M.R.S.A. § 8053.

Dated at Augusta, Maine, this 30<sup>th</sup> day of July, 2001.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond